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UNITED NATIONS REFORM: MEASURES AND PROPOSALS

Letter dated 12 November 1997 from the Permanent Representative of the United Republic of Tanzania to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the position papers of the Group of 77 and China on United Nations reform, dated 14 October 1997 and 29 October 1997 respectively, which contain the views and comments of the Member States that are members of the Group of 77 and China on the report of the Secretary-General entitled "Renewing the United Nations: a programme for reform" (A/512/950).

On behalf of the Group of 77 and China, I would highly appreciate it if you would arrange for the present letter and its annexes to be circulated as an official document of the General Assembly under agenda item 157.

(Signed) Daudi N. MWAKAWAGO
Ambassador
Permanent Representative of the United Republic of Tanzania to the United Nations
Chairman of the Group of 77

ANNEX I

Preliminary position of the Group of 77 and China on the Report of the Secretary-General entitled "Renewing the United Nations: a programme for reform" (A/51/950), 14 October 1997

Introductory remarks

Reform proposals and measures must be fully consistent with the Medium-Term Plan which constitutes the principal policy directive of the Organisation. The main objective of the reform measures and proposals should be to enable the United Nations to implement fully all mandated programmes and activities.

Any reform measures which do not require General Assembly approval should be implemented within the framework of the existing legislative mandates. Action on any measures and proposals in document A/51/950, unless decided otherwise, shall be implemented without prejudice to existing resolutions and decisions of the General Assembly or of other intergovernmental bodies.

Financial implications of any reform measure or proposal on which the General Assembly shall take action should be considered in accordance with rule 153 of the rules of procedure of the General Assembly.

Proposals for any change in financial and staff rules and regulations required as a result of the implementation of the reform measures and proposals should be submitted to the General Assembly by the Secretary-General for its consideration and approval.

Enhancing strategic direction from the General Assembly (p. 18):

Action on these proposals should take fully into account the provisions of General Assembly resolution 51/241.

Restoring Charter-based division of functions (p. 19):

In view of the role of the Secretary-General and the Secretariat as stipulated in the Charter, the group cautions against attempting to create an artificial division of labour between the General Assembly and the SG/Secretariat. Differences between the SG/Secretariat and the General Assembly, e.g., on personnel, administrative and budgetary matters, planning, priorities, etc., must be solved through dialogue on a regular basis.

Items on new leadership and management structure, increasing administrative effectiveness and efficiency, streamlined structure for greater effectiveness are of general nature. Therefore, it is difficult to focus on them in terms of financial and administrative implications. More concrete and therefore relevant items are as follows:

Action 1 (p. 32):

Senior Management Group: The Group is of the opinion that the functioning of the Senior Management Group should not lead to another bureaucratic layer of decision-making in the Secretariat. Furthermore, the role of the Senior Management Group should avoid duplication of the functions which are carried out in the various departments and offices.

Action 2 (p. 32):

Strategic Planning Unit: More detailed elaboration and justification of this proposal, in particular in relation to the present arrangements within the Secretariat for long-term planning, are required before the Group could finalize its position.

Recommendation (p. 32):

Deputy Secretary-General: The Group of 77 and China is of the view that the creation of the post of the Deputy-Secretary-General is important and welcome measure for the UN Secretariat and increasing the effectiveness of the Office of the UN Secretary-General. However, it is important to know what Deputy-Secretary-General's functions will be. The Group suggests that development issues should be the main responsibility of the Deputy-Secretary-General. Furthermore, the overall functional powers of the Deputy-Secretary-General should be clarified especially his political role of deputizing when the Secretary-General is away.

In case of a political decision on the establishment of the post and pending a decision on the functions to be performed, the grade level, conditions of service, etc., the size of the office, and related resources should be considered in the Fifth Committee. This proposal should however be considered in the overall context of streamlining of the Secretariat and of the financial situation of the Organisation.

Recommendation (d) (p. 35):

Enhancing strategic direction from the General Assembly: Action on these proposals should take fully into account the provisions of General Assembly resolution 51/241. In connection with paragraph 101, recommendation (d), the Group

would wish to point out that the agenda of the General Assembly is on the basis of items proposed and agreed to by Member States.

Action 3 (p. 39):

Gratis Personnel: The G-77 and China emphasises that General Assembly resolution 51/243 should be fully implemented in all its aspects.

Recommendations (p. 44):

Organization and methods of work of ECOSOC: The role of the Economic and Social Council is enshrined in Chapter X of the Charter of the United Nations and the Group of 77 abides by this role. The role of the Economic and Social Council has also been enhanced, in the context of the Charter, in General Assembly resolution 50/227 and in the Agenda for Development.

- On the recommendation that the Economic and Social Council considers holding its various segments at different, pre-established periods during the year, without affecting the total duration of the meetings held by the Council in any given year - this proposal is not acceptable to the Group of 77 and China, inter alia, because it has financial implications for the United Nations as well as for Member States. In view of the limited duration of the ECOSOC session, the Group sees merit in the suggestion to extend the duration of the operational activities segment, but this extension should not be done at the expense of shortening the duration of other segments. The issue of establishing a separate trust fund for operational activities segment does not arise since the attendance of officials from the LDC's will continue to be facilitated through the existing ECOSOC trust fund for this purpose.

- The issue of the Committee for Development Planning will be discussed under the reform of the Economic and Social Council's subsidiary bodies below.

Recommendations (p.45):

Reform of the subsidiary bodies:

- The Group of 77 and China stresses that the issue of reform of the four ECOSOC subsidiary bodies, namely the Committee on New and Renewable Sources of Energy and Energy for Development , the Committee on Natural Resources, the Committee on Science and Technology for Development and the Committee for Development Planning, should be discussed in accordance with General Assembly resolution 50/227. It should further be recalled that the Group of 77 and China stated its position regarding the reform of these four bodies at the 1997 ECOSOC

substantive session in Geneva. Summary of the Group's position on each of these bodies is as follows:

- Concerning the Committee on New and Renewable Sources of Energy and Energy for Development - there is a need to retain this body, basically because its approach to the question of energy is more holistic and comprehensive. To place CNRSEED under Commission on Sustainable Development will restrict its mandate and scope of its work especially in the area of new and renewable sources of energy, such as solar energy, hydro-electric power and energy from biomass etc. which are critical for developing countries.

- Regarding the Committee on Natural Resources - water resources issue will be discussed under the special dialogue mandated by the United Nations General Assembly Special Session aimed at building a consensus on the necessary actions in order to consider initiating a strategic approach for the implementation of all aspects of the sustainable use of freshwater. CNR could be retained with a focused mandate on mineral resources issues but the Group is flexible to consider a proposal for alternative arrangements to handle this issue within the United Nations system. (In this context, the CNR could be subsumed in the CNRSEED).

- Concerning the Commission on Science and Technology for Development, the Group of 77 and China reiterates the need to retain it on the grounds that its mandate broadly covers the sectoral and cross-sectoral dimensions of science and technology. Hence subsuming it in any one United Nations body will reduce the scope of its work in this area. The Group further supports efforts to strengthen CSTD in order to increase its efficiency and effectiveness including focusing its work more on transfer of technology and capacity building in developing countries. In this regard, the UNCTAD Secretariat should continue to provide substantive servicing of the CSTD. The idea of double reporting is not acceptable to the G-77 and China. CSTD should maintain its status as a functional Commission of ECOSOC.

- The Group does not accept the proposal to discontinue the Committee for Development Planning. Specialized Ad Hoc panels suggested in its place would not provide the necessary continuity and would not have an integrated vision that the CDP can provide. Such panels should be an additional subsidiary mechanism while CDP should be strengthened so as to continue its independent analysis of macro-economic issues.

- Concerning the Intergovernmental Group of Experts on International Standards of Accounting and Reporting, the Group of 77 and China supports the proposal to maintain it as an expert body reporting through UNCTAD. It should, however, maintain its identity as a subsidiary body of ECOSOC.

- The Group of G-77 and China also supports the proposal to review the work of the Ad Hoc Group of Experts in ITM after the completion its present mandate under GA 50/227 process.

- The proposal to merge the functions of the Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs into a Single Commission under arrangements that will fully preserve the treaty-based functions entrusted to the latter, cannot be supported by the G-77 and China due, inter alia, to lack of clarity on how the functions of the Commission on Crime Prevention and Criminal Justice will be dealt with in the new body being proposed. The G-77 is of the view that the scope of issues covered by the Commission on Crime Prevention and Criminal Justice is quite broad and its merger with the Commission on Narcotics Drugs implies prioritizing the issue of Narcotics Drugs over other issues requiring crime prevention and criminal justice such as money laundering etc.

- In view of this, the G-77 feels that for now, the two bodies should maintain their distinctive mandates, subject to intergovernmental discussions on how the different mandates could be comprehensively addressed under a single body, in future. Meanwhile, it would be appreciated if the Secretariat would clarify further, this proposal to merge the two Commissions.

- Concerning the proposal that the Committee on Economic, Social and Cultural Rights report to the Economic and Social Council through the Commission on Human Rights, the G-77 and China stresses that the present arrangement for reporting directly to ECOSOC should be maintained and that since the issues addressed by the Committee on Economic, Social and Cultural Rights are of interest to all countries, the General Assembly should continue discussing them yearly, under a specific agenda item.

Recommendation (p. 46):

Regional Commissions and the reform process: The Group of 77 and China notes that the review of regional commissions is already taking place in accordance with the GA Resolution 50/227. Furthermore, further clarification is needed particularly on the aspects of the evaluation of "the most appropriate division of labour with regard to both standard-setting and technical cooperation activities and prospects for further rationalization and consolidation." The Group needs assurances that the proposed measures would not interfere with the mandates of existing regional organizations. Moreover, the role of the UN regional commissions in the technical assistance field should be strengthened.

Action 7 (p. 47):

Reform of the Secretariat:

(a) The Group of 77 and China generally supports the proposal to establish a substantive ECOSOC Secretariat subject to approval of budget estimates by the 5th Committee and further clarification by the Secretary-General, particularly on how the new Secretariat would specifically improve services and coordination with ECOSOC and its subsidiary machinery.

(b) The Group of 77 and China recognizes the need for the Department of Economic and Social Affairs and UNCTAD to undertake a review of their activities in the macro-economic policy analysis area in order to strengthen their cooperation and enhance United Nations work in this area. The Group, however, cannot support the aspect of "rationalization" of the work of the Department of Economic and Social Affairs and UNCTAD because this might weaken intellectual pluralism which is beneficial to Member States. Furthermore, the review should be aimed at reinforcing and better focus the activities of United Nations to ensure that the issues of development in both economic and social spheres are placed at the centre of the UN activities (the phrase ".. its leadership in meeting priority information needs of the world community," should be dropped in view of its ambiguity). The recommendations to be presented to the Secretary-General on this matter should be made available to Member States as soon as possible.

Action 8 (p.49):

This action is clearly linked to the proposals to merge the Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs, hence it should be discussed in the light of comments made by G-77 and China on this item above.

Action 9 (p.52):

Development Cooperation:

(a) The Group of 77 and China supports the proposal to create a United Nations Development Group (UNDG), involving UNDP, UNICEF and UNFPA, with provision for participation of other intergovernmental funding organizations such as WFP.

(b) The G-77 and China is of the view that the proposal that the Executive Committee of UNDG should develop counterpart arrangements at country level is unclear. In particular this would have implications for interference in the internal

affairs of Member States which have full responsibility to designate counterpart institutions at the country level. The Secretary-General may wish to clarify further this proposal.

Action 10 (p. 53):

(a) The Group of 77 and China sees merit in the proposal to have a single United Nations Development Assistance Framework (UNDAF) with common objectives and time-frame in order to attain better integration and co-ordination of technical assistance efforts by various funding organizations. However, this innovation should be tried on a pilot basis to establish its efficiency, similar to the country strategy notes experiment under UNDP/UNFPA. Furthermore, programme funds managed by each of the programmes and funds should maintain their identity. Developing countries Governments must be closely consulted in the planning and elaboration of country programmes under these new institutional measures.

(b) Regarding the proposal to designate the Resident Coordinator as the representative of the Secretary-General and leader of UN country team, who would be accredited to the head of Government, the G-77 and China feels that circumstances are not ripe for the elevation of the diplomatic status of the Resident Coordinator to cover all aspects of the UN representation at country level. Accreditation of the Resident Coordinator should be in accordance with the Vienna Convention on Diplomatic Relations as concerns privileges accorded to UN staff members.

Recommendation (p. 54):

Governance of the funds and programmes: The proposal to achieve closer integration of the governance and oversight of UNDP, UNFPA and UNICEF is generally acceptable to the G-77 and China. More clarification is however needed on the proposed joint meetings of the existing Executive Boards and joint committees of these funding organizations.

Action 11 (p. 56):

The financing of development and technical cooperation:

(a) The G-77 and China supports the proposal to increase core resources for financing development and technical cooperation in developing countries. However, the notion of burden-sharing should be clarified to underline that it applies to traditional donors and not from so called "eligible/emerging donors" including some developing countries

(b) The G-77 and China supports the creation of the Office for Development Financing, notwithstanding the functions of the Deputy-Secretary-General.

Recommendation (p. 56):

The suggestion to consider innovative ways of raising new and additional resources is an important recommendation. However, G-77 is of the view that Member States should be closely consulted in the mobilization of particularly private sector resources and the Fifth Committee should be involved in the allocation and accountability of these resources. Further clarification from the Secretary-General would be appreciated.

Action 12 (p. 59):

Environment, habitat and sustainable development: The G-77 and China notes with concern that UNEP and Habitat in Nairobi, Kenya, have been undergoing a major crisis including financial pressures and organizational problems. In this regard, the Group welcomes the Secretary-General's proposal to strengthen UNEP and HABITAT. Apart from GA Resolution 2997 (XXVII) and 32/162, and taking into account the decisions and recommendations of the Governing Council of UNEP and the Commission on Human Settlements, the development of new measures for strengthening these two organizations should also be based on the recommendations of the United Nations Conference on Human Settlements (Habitat II) held in Istanbul, Turkey, in 1996 and Rio +5, 1997. Furthermore, G-77 and China cannot accept the proposal to replace UNEP funding role with UNDP.

Recommendation (p. 59):

The Secretary-General is requested to provide further clarification on this proposal to discontinue the High-Level Advisory Board on Sustainable Development, particularly how the functions of this body will be absorbed in the CSD structure. G-77 further suggests that the involvement of civil society actors in the new arrangements for consultations as indicated in para 178, should be transparently discussed at CSD.

Action 13 (p.62):

(a) The G-77 and China generally supports the establishment of an Office of the Emergency Relief Co-ordinator, headed by an Under-Secretary-General.

(b) The G-77 and China notes the proposal to discontinue the Department of Humanitarian Affairs, in its present form with comments made in (c) below.

(c) The G-77 and China needs further clarification from the Secretary-General as to how the functions of the Department of Humanitarian Affairs will be redistributed within the UN System, to ensure continued efficient delivery of particularly humanitarian assistance to developing countries.

(d) The G-77 and China supports the proposal to further strengthen the Inter-Agency Standing Committee (IASC), Chaired by Emergency Relief Co-ordinator.

(e) The G-77 and China supports the proposal that the IASC be asked to identify measures to harmonize processes and further enhance the consolidated appeal process. However, the Group needs further clarification on the notion of "prioritization" of assistance to be given, especially on the criteria to be applied. Furthermore, it should be clarified that resources earmarked for activities of the various members of IASC, i.e., UNHCR, WFP, UNICEF, UNDP, ICRC, etc., are not diverted to relief work, it being understood that resources for Emergency Relief are mobilized separately through appeals and are thus additional to the resources provided financing for the activities of these agencies, in accordance with their existing mandates.

(f) The G-77 and China notes that the new Office of the Emergency Relief Co-ordinator will not have country offices. Hence the proposal to designate a lead agency to co-ordinate complex emergencies. The G-77 requests clarification, especially on the criteria to be applied to designate the lead agency at country level. Moreover, why are the functions limited to the co-ordination of complex emergencies and not all types of emergencies?

Recommendation (p.63):

The G-77 and China notes the proposal to designate the Emergency Relief Co-ordinator as the United Nations Humanitarian Assistance Coordinator, and transfer the Emergency Relief Coordinator's responsibilities related to the coordination of natural disaster mitigation activities to UNDP. In this regard it should be affirmed that the resources for disaster mitigation activities will be separate from and additional to UNDP's resources for development activities.

The G-77 and China can support the proposal to establish a humanitarian affairs segment of the Economic and Social Council.

Recommendations (p. 71):

Financing the Organisation (Revolving Credit Fund): The Secretary-General's proposal for establishing a Revolving Credit Fund, initially capitalized at a level of $1 billion through voluntary contributions or other means of financing that Member States may wish to suggest, needs to be examined taking into account the following points:

a) The Charter determines that the expenses of the Organisation shall be borne by the Members as apportioned by the General Assembly. Therefore, the Secretary-General has acknowledged that the only way to finance the Organisation is through assessed contribution, and it is imperative that all Member States pay their contributions in full on time and without imposing conditionalities. Thus, such a proposal cannot be a substitute for financial obligations as enshrined in the Charter and for resolving the financial situation of the Organisation which is due to the nonpayment of assessed contributions by Member States and especially by the major contributor.

b) The Secretary-General should submit detailed proposals to the General Assembly on the proposed establishment of the fund including its financing, its management and operation, purpose and related rules taking into account the experience of similar past proposals of the Secretary-General in the context of the financial situation of the Organisation.

The retention of unspent budget balances: In the opinion of the Group, unspent balances should be oriented to development activities. Accordingly, this subject should be considered in conjunction with the consideration by the General Assembly of the development account and with the changes to the financial regulations that such retention might entail.

Strengthening the staff of the United Nations (pp. 72-75):

This item covers issues like training and redeployment of staff, preparing a code of conduct and the role of the ICSC in determining the service conditions of the staff of the Organisation.

a) Training and redeployment: Secretary General proposes to establish a one time $15 million from appropriated resources to assist, train and redeploy staff affected by the reform proposal. This is a welcome initiative. However, there is need to clarify the source of the 15 million dollars. In the biennium 1998-1999 there are resources earmarked for staff training. Will the 15 million be in addition to amounts already requested? If so there will be more than 30 million devoted to staff training. At any

rate the Secretary-General is requested to justify this amount in a programme budget presentation to the GA in accordance with current procedure.

b) Code of conduct: The Secretary-General is requested to expedite submission of his proposals on the code of conduct to the General Assembly for its consideration.

c) ICSC: The General Assembly should consider, if necessary, the proposal of reviewing the ICSC.

Action 18 (p. 74):

The implementation of these measures must take fully into account the relevant resolutions and decisions of the General Assembly. However, there is need to clarify the content and scope of elements contained in Action 18.

Action 20 (p. 75):

Senior appointments: Elaboration is required on Action 20.

Actions 21 and 22 (p. 76):

Development Account: Reallocation of "dividend" to economic and social activities is a laudable suggestion. The Secretary-General's aim to deliver "dividend for development" merits favourable consideration. In this context, the following points should be taken into account:

a) Reduction in administrative costs should not affect the full implementation of mandated programmes and activities.

b) The General Assembly should be apprised of the means to achieve overhead administrative reductions as well as the areas where savings are being achieved for its consideration and appropriate action. To this end, the Secretary-General is invited to present a detailed report for consideration and appropriate action by the General Assembly, by which, among other things, he should provide a sound and technical justification of his conclusion that the regular budget of the organisation comprise 38 per cent non-programme costs and how he intends to reduce it to 25 per cent. Therefore, **Actions 21 and 22** should not be implemented by the Secretary-General until the General Assembly has considered and acted on the above report.

c) Means and ideas to ensure sustainability of this initiative, which is being proposed to be effected by the year 2002, needs further exploration

d) In this context, administrative cost reductions should not be used as a pretext for an eventual reduction in the budget of the Organisation.

Action 25 (p. 78):

Action 25 should be implemented in the context of relevant resolutions of the General Assembly on procurement and human resource management.

Recommendation (p. 78):

Results-based budgeting: The details of this proposal are yet to be elaborated. The Group notes that this proposal would lead to a radical departure from current programme planning and budgetary practices and procedures which have been repeatedly reaffirmed by the General Assembly. Therefore, no action should be taken by the Secretariat to implement result-based budgeting until the Secretary-General has submitted a detailed report to the General Assembly on the matter for consideration and action. Issues related to the pilot projects referred to in paragraph 241 will be discussed further in the context of the proposed programme budget for the biennium 1998-1999 for its consideration and action.

Action 26 (p. 79):

Common Services: The Secretary-General is requested to report to the General Assembly on a regular basis on implementation of Action 26 for information or appropriate action. The establishment of Common Services must be preceded by a thorough cost-benefit analysis and consultation with and agreement of all secretariat parties, including funds and programmes concerned.

Action 27 (p. 80):

(a) The G-77 and China generally supports the proposal to enhance the dissemination of information electronically - through web site and home page, Internet, etc. However, since many developing countries do not have adequate telecommunications infrastructure, the UN should consider launching a programme of assistance to these countries in this area.

(b) The proposal to replace the United Nations main document system with electronic information systems that facilitate production, tracking, management and distribution of documents electronically should be approached cautiously. In particular, the developing countries which don't have infrastructure to enable them use the modern system are going to be completely marginalized. It must be ensured that the Untied Nations document system continues to provide UN documents to the

developing countries which don't have facilities for electronic communication system in place.

(c) Comments made in (b) apply also to this proposal to enhance Internet to facilitate communication within the UN system. In particular, communication facilities in the UN offices located in developing countries, especially Africa, should be modernized at the same standard as those in developed countries.

(d) The proposal to finalize an information technology strategy for New York Headquarters is supported especially if networking between Headquarters and the field offices, particularly in the developing countries would be further enhanced.

Communications and public information (pp.82-85):

The G-77 and China notes that this section does not have recommendations or proposals for action, notwithstanding the fact that the Task Force on information has submitted its report to the Secretary-General.

It is the view of the Group that some of the recommendations of the Task Force could be considered for implementation in the context of the Secretary-General's reform proposals after consultation with member states.

G-77 and China further underlines that the reform envisaged in the Department of Public Information are inadequate. In particular, the Group expects clear proposals with a vision on how communication and information services to the UN membership will be improved. The strategy proposed in the Secretary-General's paper on reforms stress only the cosmetic aspects of UN information system such as portraying a good image of the United Nations to its member states. The G-77 thinks that stress should be laid on strengthening the UN information offices at country and regional levels. In this context, the Group does not support any measures aimed at the closure of UN information offices in some countries

Since there is no clarity on the reform measures being undertaken and the long term vision on the UN information activities, the Group requests for more information on this matter including clear proposals for action and recommendations for consideration by member states.

The Future:

Even though item 157 is allocated to the plenary, future reports on the item should be submitted for consideration by the substantive Committees, e.g., all reports dealing with administrative and budgetary matters should be submitted to the Fifth Committee.

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ANNEX II

Preliminary position of the Group of 77 and China on actions contained in the report of the Secretary-General entitled "Renewing the United Nations: a programme for reform" (A/51/950), 29 October 1997

Introductory remarks

In the context of the ongoing open-ended consultations of the General Assembly Plenary on Agenda Item 157: United Nations Reform: Measures and Proposals, on 14 October 1997, the Group of 77 and China tabled its preliminary position on the Report of the Secretary General: Renewing the United Nations: A Programme for Reform (A/51/950).

In its submission, the Group emphasized the following general principles:

Any reform measures which do not require General Assembly approval should be implemented within the framework of the existing legislative mandates. Action on any measures and proposals in document A/51/950, unless decided otherwise, shall be implemented without prejudice to existing resolutions and decisions of the General Assembly or of other intergovernmental bodies.

Financial implications of any reform measure or proposal on which the General Assembly shall take action should be considered in accordance with rule 153 of the rules of procedure of the General Assembly.

Proposals for any change in financial and staff rules and regulations required as a result of the implementation of the reform measures and proposals should be submitted to the General Assembly by the Secretary General for its consideration and approval.

Reform proposals and measures must be fully consistent with the Medium-Term Plan which constitutes the principal policy directive of the Organization. The main objective of the reform measures and proposals should be to enable the United Nations to implement fully all mandated programmes and activities.

Following the Secretariat's response to comments and queries issued on 21 October 1997, the Group of 77 and China has prepared its preliminary position on a number of actions as listed below. This preliminary position should be read in conjunction with the Group's earlier position paper issued on 14 October 1997.

Action 1

The SMG can be in principle a good idea. While acting in an advisory capacity, the SMG can play a very important policy role. Since a handful of countries over the years have occupied some key posts, and thus will land by definition in SMG, it is necessary that the Secretary General provides further assurance to the Group of 77 that there will be non-permanence of representation and that the membership of that group would be drawn on the basis of the principle of equitable geographical representation. The Group of 77 would also like assurances that SMG's actions will not impinge on the decision-making role of member states as stipulated in the Charter.

Furthermore, the Group reiterates its earlier position that the SMG should not lead to another bureaucratic layer of decision-making in the Secretariat and its role should avoid duplication of the functions which are carried out in the various departments and offices of the United Nations system

Action 2

The Group of 77 notes the proposal of the Secretary General to create a SPU. In view of the importance of its role, the Group of 77 is of the view that the unit should be sufficiently big to allow for equitable geographical representation of member states. Furthermore, the Group will want to be assured that the people in SPU would be of the highest technical competence drawn from the widest spectrum of views reflecting the diverse membership of the Organization. Further clarification on this proposal is thus required.

Action 3

The Group of 77 and China generally concurs with the action relating to the phasing out of gratis personnel. In this context, the Group reiterates that General Assembly resolution 51/243 should be fully implemented in all its aspects, including the submission of all the relevant reports as requested in that resolution.

Action 7

(a) The Group of 77 and China generally supports the proposal to establish a substantive ECOSOC Secretariat. However, the normal procedure of examining the financial implications by the Fifth Committee should be followed before its implementation.

(b) While the Group sees merit in the review of DESA and UNCTAD with a view to reinforcing complementarities, however the distinctive contribution of these two bodies, as well as their legislative mandates should be preserved.

Action 8

Following the Secretary General's clarification in the Secretariat's informal paper entitled, *"Secretariat Responses to Comments and Queries"*, of October 21, 1997, the Group of 77 can support the suggestion that, *"The Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs will continue to operate as separate bodies, pending a decision of member states on the Secretary General's proposals recommending the merger of the two Commissions"*.

Action 9

(a) The Group of 77 and China reiterates its support for the proposal to create- UNDG with provision for the participation of other relevant intergovernmental funding organizations.

(b) The Group reiterates its position that arrangements for counterpart mechanisms at country level should be the responsibility of host countries. The clarification given by the Secretariat on this matter is not clear.

Action 10

(a) The Group of 77 and China reiterates its support for UNDAF.

(b) While the Group of 77 and China recognizes the need for coordination of the United Nations activities at the country level under a Resident Coordinator, the Group reiterates its position that circumstances are not ripe for the elevation of the diplomatic status of the Resident Coordinator. This may require further consultations.

Action 11

(a) The Group of 77 and China is waiting for the Secretary General's proposals on the mobilization of funding for core resources for financing development and technical cooperation in developing countries. However, the Group reiterates its earlier position that the burden-sharing arrangements should apply only to traditional donors.

(b) The Group of 77 and China maintains its support for the creation of the Office for Development Financing and that this should not be linked to the issue of the establishment of the Office of the DSG.

Action 12

The Group of 77 and China generally supports the Secretary General's proposal to strengthen UNEP and HABITAT. The Group, however, reiterates its position that the development of new measures for strengthening these two organizations should be broadened to include the recommendations of HABITAT II and Rio +5, 1997. Furthermore, the clarification made in the Secretariat paper of 20 October 1997 is unclear on the issue of UNEP's

funding role. In this regard, the Group reiterates its position that the Secretary General should provide clarification reaffirming UNEP's funding role.

Action 13

The Group of 77 and China reiterates its request for further clarification from the Secretary General as to how the functions of the DHA will be redistributed within the UN system.

Furthermore, the Group notes that in view of the fact that UNDP will assume some of the operational activities of the DHA, this should not affect the development activities being undertaken by UNDP. In particular, it should be ensured that the funding for DHA activities is additional to those given for UNDP activities.

Moreover, the Secretary General should clarify his proposal on the designation of a lead agency at the country level, particularly the criteria to be applied.

The comments made by the Group of 77 on this Action should be read in tandem with the position of NAM on issues relating to human rights, peacekeeping operations and Security Council in the context of humanitarian assistance.

Action 18

The Group of 77 reiterates its position that the implementation of these measures must take fully into account the relevant resolutions and decision of the General Assembly, as well as rules and regulations of the Organization. Furthermore, the results of the Task Force should be made available to the Member States as soon as possible.

Action 19

The comments made on Action 18 also apply to this Action.

Action 20

In the implementation of this Action, the Secretary General should ensure that the principles of transparency and equitable geographical representation, as well as consultations with member states on these appointments are fully adhered to.

Action 21

The Group of 77 and China supports, in principle, the idea of development dividend. However, the Secretary General should provide the CRP promised in his circular of 21 October 1997 to clarify on important issues relating to the mobilization of resources and their allocation for this purpose. The Group stresses that the relevant Committees of the General Assembly should be involved in the discussions on this issue. Furthermore, it should be made clear that the

Development Dividend Fund should be sizeable and it will be used to finance development activities in the developing countries. The reference of the use of this fund for economic and social issues as reflected in the report is unclear. The issue of the total amount to be mobilized for this fund should also be discussed with a view to increasing the resources needed for this purpose. Furthermore, the Group of 77 would like to be assured that the resources envisaged to be raised within the specific context of this proposal would be linked to the mobilization of financial resources for long-term development objectives. Further clarification is thus necessary.

Actions 25 and 26

The Group can support these actions on the basis of the comments made in the paper containing the Preliminary Position of the Group of 77 and China on reform of October 14, 1997.

Action 27

The Group of 77 and China supports this Action with comments made in the paper containing the Group's Preliminary Position on reform dated October 14, 1997.